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DE HTE #7002 3352202  
O 021015Z DEC 75  
FM THE SITUATION ROOM//TOSCO 36//

TO GENERAL SCOWCROFT

T O P S E C R E T SENSITIVE EYES ONLY CONTAINS CODEWORD WH52351

TOSCO 36

NSA review  
completed.

DECEMBER 2, 1975

MEMORANDUM FOR GENERAL SCOWCROFT  
FROM: THE SITUATION ROOM  
SUBJECT: INFORMATION ITEMS

ON-FILE NSC RELEASE  
INSTRUCTIONS APPLY

CHINA READY TO SIGN CONTRACT FOR WEST GERMAN PETROCHEMICAL PLANT: THE CHINESE ARE REPORTEDLY READY TO SIGN A SIX PERCENT DEFERRED PAYMENT CONTRACT WITH A WEST GERMAN FIRM FOR A \$23.8 MILLION U.S.-LICENSED LINEAR ALKYL BENZENE (LAB) PLANT. AN INTERESTED JAPANESE GROUP REPORTED THAT THE CHINESE HAD REJECTED THEIR OFFER BECAUSE THEIR OWN GOVERNMENT-LIMITED 7.5 PERCENT INTEREST RATE WAS BETTERED BY THE SIX PERCENT OFFER OF THE WEST GERMAN FIRM. ACCORDING TO THE REPORT, THE CHINESE HAD FREQUENTLY STATED THEIR DISSATISFACTION WITH THE WASHINGTON AGREEMENT AND THEREFORE WERE TAKING THIS OPPORTUNITY TO POINT OUT THEIR CONTINUING OPPOSITION TO IT BY DECIDING ON THE WEST GERMAN OFFER. NEGOTIATIONS FOR THE 50,000 TONS-PER-YEAR LAB PLANT HAVE BEEN IN PROGRESS SINCE JULY 1974 WITH REPRESENTATIVES OF JAPANESE, WEST GERMAN, AND ITALIAN FIRMS. THE CHINESE APPARENTLY HAVE SIGNED A SEPARATE TECHNOLOGY CONTRACT WITH A U.S. FIRM FOR THIS PROJECT, A DEPARTURE FROM PREVIOUS WHOLE PLANT CONTRACTS WHEREIN TECHNOLOGY AND CONSTRUCTION WERE INCLUDED UNDER ONE CONTRACT.

MORI/CDF per  
C03205363

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\*\*\*\*\* WHSR COMMENT \*\*\*\*\*

SDO, SEC FLE

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BRAZIL PRESSING FOR CLOSER ECONOMIC RELATIONS WITH KUWAIT:  
BRAZILIAN EFFORTS TO STIMULATE AND INCREASE FINANCIAL AND  
COMMERCIAL RELATIONS WITH KUWAIT.

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ARE NOW "TAKING ON THE  
CHARACTERISTICS OF A VERITABLE BRAZILIAN ASSAULT ON THE KU-  
WAITI MARKET." IN ADDITION TO A MISSION ORGANIZED BY THE  
BANK, THE DIRECTORS OF THE ARAB-BRAZILIAN INVESTMENT COMPANY  
(ABICO) AND OTHER BRAZILIAN ENTITIES ARE NOW PRESSING FOR THE  
IMMEDIATE EXPANSION OF TRADE WITH KUWAIT.  
KUWAIT'S MINISTER OF FINANCE TOLD

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THAT HE VIEWED ABICO AS A KUWAITI PRESENCE IN BRAZIL  
AND THAT HE CONSIDERED THE BRAZILIAN PRESENCE IN KUWAIT IN  
THE FORM OF JOINT VENTURES "INDISPENSABLE." HE ADDED THAT  
ABICO SHOULD BE A HOLDING COMPANY FROM WHICH OTHER COMPANIES  
ORIGINATE. IN ADDITION, HE STATED THAT BRAZIL COULD EXPORT  
HEAVY EQUIPMENT AND SOPHISTICATED MANUFACTURED PRODUCTS AS  
ITS CONTRIBUTION AND COOPERATION FOR THE SECOND FIVE-YEAR DE-  
VELOPMENT PLAN OF KUWAIT, "NOW IN THE BEGINNING STAGES OF IM-  
PLEMENTATION."

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